DRAFT
17/09/2025

IMPACT OF THE REGULATION

Draft regulation of the Minister of Regional Affairs and Agriculture on "support for the introduction of electric buses"

4. Impact of the Regulation

The effects of the draft regulation have been assessed on the basis of § 46(1) of the Regulation on Good Legislative Practice and Legislative Drafting.

4.1 Impact on the administrative burden

The Regulation does not impose any new obligations on businesses or citizens vis-à-vis the State, so there is no additional administrative burden in terms of the standard cost model. The payment of the support is accompanied by an obligation for the beneficiary to report on the use of the support to the EIC on the implementation of the project once a year and an obligation to submit a follow-up report to the EIC one year after the payment of the project.

4.2 Impact on regional development, the living and natural environment and the economy

The objective of the support is to reduce the pollution burden of transport, gain a direct user experience in the use of new environmentally friendly means of transport, increase the use of renewable energy in transport through the deployment of electric buses and charging devices necessary for its operation.

According to Regulation (EU) 2023/857 (effort sharing regulation) of the European Parliament and of the Council, which amended (EU) 2018/842 or the so-called shared commitment regulation, Estonia will have to reduce greenhouse gas emissions from transport, small-scale power industry, agriculture, waste management and industrial processes by at least 24% by 2030 compared to 2005. Transport contributed 19% of total GHG emissions from the transport sector in 2023. The significantly lower energy consumption of electric buses compared to internal combustion engine vehicles has a positive impact on the reduction of greenhouse gas and other air pollutant emissions.

The direct objective of the support is to contribute to the development of electric transport in the Estonian transport sector. As a result of financing, electric buses are purchased in different sizes and at different cost. The number of electric buses cannot be predicted. The budget for the measure is EUR 4 million, which will cover the purchase of at least five electric buses (the maximum support per project is EUR 1 million, and up to one [sic] up to four buses can be purchased within the framework of one project). The current call for proposals will be open until the end of 2026 or until the budget is exhausted, thus creating the conditions for the full budget to be used for its intended purpose. Electric buses must be in targeted public use for at least 5 years after the end of the project. Air pollution will be reduced because, in addition to the reduction in greenhouse gases, pollution from fine particles will also decrease. Noise pollution is also reduced as electric buses operate quietly compared to buses with an internal combustion engine. Studies have also indicated that electric buses provide a more comfortable working environment for bus drivers, with less noise and vibration.

Overall, the introduction of more electric buses will result in greater positive impacts on the environment and fulfilment of the objectives of the Regulation. With the entry into force of the Regulation, it will be possible to disburse the prescribed subsidies until the end of 2028.

Different undertakings are able to participate in public procurement. The subsidy part of the measure is EUR 4 million, to which the recipient of the subsidy will add a further 30-50% of self-financing, and this money will be channelled to the economy through public procurement in the coming years. The economic and business environment is also positively affected by the ordering of maintenance following the purchase of buses and the ordering of charging equipment maintenance.

A reduction in the cost of public transport for the local authority can be considered as an accompanying effect.

4.3 Other impacts

The Regulation has no social implications and no implications for national security and external relations.